

CONSENT ORDER

On February 13, 2006,
Issued and Entered,
by Linda A. Watters,
Commissioner

Based on the Stipulation to Consent Order set forth above, IT IS HEREBY ORDERED
THAT:

1. The James N. Cole dba Home Towne Financial ("Home Towne") shall CEASE and DESIST from violating Sections 21(1), 22(a), 22(b) and 22a(1) of the MBLSLA.

2. Home Towne shall pay to the State of Michigan, through OFIS, a civil fine in the amount of \$1,500.00 fine shall be paid on or before 30 days of the date of entry of this order.

3. Home Towne shall maintain a program to monitor and assure compliance with all state and federal laws and regulations pertaining to brokering, origination, closing, and servicing of mortgage loans. Home Towne shall educate its employees involved in the brokering, origination, and closing of mortgage loans on all applicable state and federal laws and regulations, including, but not limited to, the Mortgage Brokers, Lenders and Servicers Licensing Act, Secondary Mortgage Loan Act, Consumer Mortgage Protection Act, Federal Real Estate Settlement Procedures Act, National Housing Act, Federal Truth in Lending Act, Equal Credit Opportunity Act, Fair Credit Reporting Act, Anti-Redlining Act, and applicable usury laws. The education shall be accomplished by requiring the employees involved in the brokering, origination, closing, and servicing of mortgage loans to attend training seminars for the next 12 months at least four hours in duration every quarter. The seminars shall be conducted by persons


not employed by Home Towne and with recognized experience in the mortgage industry. The instructors for the seminars shall be varied in order to give the employees a broad view of the regulation and operation of the mortgage industry. The seminars shall include the philosophy behind the laws and regulations as well as the requirements of the laws and regulations. The seminars may be organized by either Home Towne or a local or national organization such as the Michigan Mortgage Lenders Association, Michigan Mortgage Brokers Association, Mortgage Bankers Association of America, or National Association of Mortgage Brokers. Home Towne shall keep a record of the attendance of the officers and employees at the seminars.

The program shall include designation of a compliance officer who will conduct reviews, not less than quarterly, of a sample of files for closed loans and rejected loan applications and assure compliance with all relevant federal and state laws. Home Towne shall maintain written reports of the results of its file reviews. The written reports shall be maintained as required by Section 21 of the MBLSLA. Within 30 days of the date of this order Home Towne must inform OFIS of the individual designated as compliance officer and if there is any change in the compliance officer, such change shall be reported in writing to OFIS within 30 days of the change.

4. Home Towne shall maintain its books, accounts, records, and documents of the business conducted under the license and registration to enable the Commissioner to determine whether Home Towne's business is being conducted in compliance with the MBLSLA.

5. Within 6 months of this order, Home Towne shall develop and maintain a comprehensive employee Procedures Manual clearly delineating the mortgage loan process and all statutes, ordinances, rules, and regulations that govern the activity of its employees.

The Commissioner retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as she shall deem just, necessary and appropriate in accordance with the MBLSLA.


Linda A. Watters,
Commissioner